



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/806,835

03/23/2004

T. Jeffrey Barany

040230

4233

26285

7590

05/13/2008

KIRKPATRICK & LOCKHART PRESTON GATES ELLIS LLP
535 SMITHFIELD STREET
PITTSBURGH, PA 15222

EXAMINER

RANKINS, WILLIAM E

ART UNIT

PAPER NUMBER

3696

MAIL DATE

DELIVERY MODE

05/13/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/806,835	Applicant(s) BARANY ET AL.
	Examiner WILLIAM E. RANKINS	Art Unit 3696

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 March 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) 8 and 11-29 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7, 9, 10 and 30-33 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of Claims

Claims 1-33 are pending in this application. Claims 8 and 11-29 have been canceled. Claims 1, 3-6, 9-10, and 30-33 have been amended.

Response to Arguments

1. Applicant's arguments see pg. 5, lines 4-6, filed 03/06/2008, with respect to claims 11-29 have been fully considered and are persuasive. The section 101 rejection of claims 11-29 has been withdrawn.
2. Applicant's arguments see pg. 5, lines 7-9, filed 03/06/2008, with respect to claim 8 have been fully considered and are persuasive. The section 103(a) rejection of claim 8 has been withdrawn.
3. Applicant's arguments, see pgs. 5-7, 103 rejections, filed 03/06/2008, with respect to the rejection(s) of claim(s) 1-3, 8-9, 11-13, 18, 20-23, 20, 28 and 30 under U.S.C. 103(a) have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of an updated search and new prior art references found and applied as shown below.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

1. Claims 1 and 6 are rejected under 35 U.S.C. 103(a) as being unpatentable over Clark et al. (2006/0041453) in view of Woodruff et al. (2005/0075976), Managing risk with derivatives, Corporate Finance. London: Mar 2003. and Hoffman et al. (2002/0111891).

As per claim 1;

Clark does not specifically disclose:

A method of issuing inflation-linked securities, comprising:

purchasing, by a trust, fixed income securities issued by a private issuer;

entering into, by trust an inflation swap agreement with a swap counterparty,

wherein the inflation swap agreement obligates the trust to make periodic fixed payments to the swap counterparty in exchange for periodic floating payments from the swap counterparty dependent upon an inflation index; and

issuing, by the trust, inflation-linked securities to investors, wherein the inflation-

linked securities are backed by the fixed income securities of the private issuer so that the investors can own inflation-linked securities backed by fixed income securities of the private issuer, without the private issuer having to issue the inflation-linked securities.

However, Clark discloses:

A method of issuing index linked securities issued by an insurance company and backed by fixed income securities such as bonds or mortgages (Para's. 0004-0005).

Woodruff discloses:

A trust purchasing fixed income securities issued by a private issuer (Para. 0033).

Corporate Finance discloses:

Inflation swap agreements (Pg. 2, Para. 3).

And Hoffman discloses:

Swap agreements between parties where one party pays a floating rate while the other pays a fixed rate.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Clark, Woodruff, Corporate Finance and Hoffman. One of ordinary skill in the art at the time of this invention would have been motivated to do so as the particular index associated with the index linked security can be any one of a number of indexes. Additionally, a trust can be associated with any corporation or entity that wishes to assign, to a dependent entity, the responsibility of constructing and managing deals involving financial instruments for the purpose of creating income or financing debt obligations.

As per claim 6;

Clark does not disclose:

The method of claim 1, wherein the fixed income securities purchased by the trust are directly purchased from the issuer by the trust.

However, Woodruff discloses:

A trust purchasing fixed income securities issued by a private issuer (Para. 0033).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Clark, Woodruff, Corp. Finance and Hoffman. One of ordinary skill in the art at the time of this invention would have been motivated to do so as the issuer may have an ownership interest in the trust.

2. Claims 2, 30 and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Clark et al. (2006/0041453) in view of Woodruff et al. (2005/0075976), Managing risk with derivatives, Corporate Finance. London: Mar 2003, Hoffman et al. (2002/0111891) and Lange (6,321,212).

As per claim 2;

Clark does not disclose:

The method of claim 1, wherein the inflation-linked securities

Art Unit: 3696

comprise a principal amount and an interest rate, and wherein at least one of the principal amount and the interest rate are related to the inflation index.

However, Lange discloses:

Inflation linked bonds having coupons and principal amounts linked to Consumer Price Index levels (Col. 5, lines 29-33).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Clark, Woodruff, Corporate Finance, Hoffman and Lange. One of ordinary skill in the art at the time of this invention would have been motivated to do so in order to hedge against inflation.

Claim 30 is rejected under the same rationale used to reject claims 1 and 2.

Claim 32 is rejected under the same rationale used to reject claims 2, 6 and 30.

3. Claims 3 and 4 are rejected under 35 U.S.C. 103(a) as being unpatentable over Clark et al. (2006/0041453) in view of Woodruff et al. (2005/0075976), Managing risk with derivatives, Corporate Finance. London: Mar 2003, Hoffman et al. (2002/0111891) and Official Notice.

As per claim 3;

Clark does not disclose:

The method of claim 1, wherein the trust is a limited liability company.

However, the examiner takes Official Notice that it was old and well known at the time of this invention for a trust to be in the form of an LLC.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Clark, Woodruff, Corporate Finance, Hoffman and Official Notice.

One of ordinary skill in the art at the time of this invention would have been motivated to do so in order to establish a dependent entity to handle the construction and management of deals involving financial instruments.

Claim 4 is rejected under the same rationale used to reject claim 3.

4. Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over Clark et al. (2006/0041453) in view of Woodruff et al. (2005/0075976), Managing risk with derivatives, Corporate Finance. London: Mar 2003, Hoffman et al. (2002/0111891) and Heppenstall Jr. (2004/0044611).

As per claim 5;

Clark does not disclose:

The method of claim 1, wherein the fixed income securities purchased by the trust were previously issued by the issuer as part of a single, previous offering by the issuer.

However, Heppenstall discloses:

Primary market issuance and secondary market issuance of fixed income securities (Para. 0008).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Clark, Woodruff, Corp. Finance, Hoffman and Heppenstall. One of ordinary skill in the art at the time of this invention would have been motivated to do so in order for brokers to offer smaller purchases.

5. Claims 7 and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Clark et al. (2006/0041453) in view of Woodruff et al. (2005/0075976), Managing risk with derivatives, Corporate Finance. London: Mar 2003, Hoffman et al. (2002/0111891) and Dutch Authority Enters Cross-Currency I-Rate Swap, Derivatives Week. New York: Nov 10, 2003.

As per claim 7;

Clark does not disclose:

The method of claim 1, wherein the end of the term of the inflation swap agreement corresponds to the maturity date of the fixed income securities.

However, Derivatives Week discloses:

A currency swap where the maturity of the swap matches that of the bonds (Para. 2).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Clark, Woodruff, Corp. Finance,

Hoffman and Derivatives Week. One of ordinary skill in the art at the time of this invention would have been motivated to do so in order to match incoming and outgoing cash flows.

Claims 9 and 10 are rejected under the same rationale used to reject claim 7.

6. Claim 31 is rejected under 35 U.S.C. 103(a) as being unpatentable over Clark et al. (2006/0041453) in view of Woodruff et al. (2005/0075976), Managing risk with derivatives, Corporate Finance. London: Mar 2003, Hoffman et al. (2002/0111891), Lange (6,321,212) and Heppenstall Jr. (2004/0044611).

Claim 31 is rejected under the same rationale used to reject claims 2, 5 and 30.

7. Claim 33 is rejected under 35 U.S.C. 103(a) as being unpatentable over Clark et al. (2006/0041453) in view of Woodruff et al. (2005/0075976), Managing risk with derivatives, Corporate Finance. London: Mar 2003, Hoffman et al. (2002/0111891), Lange (6,321,212) and Dutch Authority Enters Cross-Currency I-Rate Swap, Derivatives Week. New York: Nov 10, 2003.

Claim 33 is rejected under the same rationale used to reject claims 7 and 30.

Application/Control Number: 10/806,835
Art Unit: 3696

Page 10

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to William E. Rankins whose telephone number is 571-270-3465. The examiner can normally be reached on M-F 7:30 AM - 5:00 PM, off alt Fridays beg 6/15/07.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3696

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/W. E. R./

Examiner, Art Unit 3696

05/09/2008

/Daniel S Felten/

Primary Examiner, Art Unit 3696